

# SENATE RECORD VOTE ANALYSIS

106th Congress  
2nd Session

Vote No. 17

March 1, 2000, 10:07 a.m.  
Page S-992 Temp. Record

## AFFORDABLE EDUCATION ACT/Strike ESAs, Expand Construction Funding

**SUBJECT:** Affordable Education Act of 1999. . . S. 1134. Roth motion to table the Robb amendment No. 2861.

### ACTION: MOTION TO TABLE AGREED TO, 57-42

**SYNOPSIS:** As introduced, S. 1134, the Affordable Education Act of 1999, will enact numerous tax benefits to improve education, including that it will allow tax-free expenditures from education savings accounts (ESAs) for elementary and secondary school expenses and will increase the maximum annual amount of contributions to such accounts from \$500 to \$2,000.

**The Robb amendment** would deny the proposed ESA tax relief. The ESA tax relief in this bill will lower Federal taxes on parents who save money for their children's college educations and/or their children's kindergarten through twelfth grade (K-12) educations. Approximately \$1.2 billion in tax relief will be provided through 2003, and educational savings by 14 million families will increase by an estimated \$12 billion over the next 10 years. Instead of reducing taxes by \$1.2 billion in order to encourage parents to save \$12 billion for their own children's educations, the Robb amendment would create a new Federal school construction program. Under that proposed program, \$1.2 billion in tax credits would be given to lenders who gave loans to qualifying States and school districts for school construction projects. To qualify for a loan under this new Federal program, a State or local school district would have to prove to the Department of Education's satisfaction that the money would be spent in accordance with various new Federal mandates on school construction.

Debate was limited by unanimous consent. After debate, Senator Roth moved to table the Robb amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

**Those favoring** the motion to table contended:

Argument 1:

Here we go again. Democrats have all sorts of bright ideas for spending more money instead of giving America's parents a small amount of tax relief so that they can save for their children's' educations. In this case, they want to create a brand new Federal program

(See other side)

YEAS (57)			NAYS (42)			NOT VOTING (1)	
Republicans (53 or 98%)	Democrats (4 or 9%)		Republicans (1 or 2%)	Democrats (41 or 91%)		Republicans (1)	Democrats (0)
Abraham	Helms	Byrd	Specter	Akaka	Kennedy	McCain <sup>2</sup>	
Allard	Hutchinson	Feingold		Baucus	Kerrey		
Ashcroft	Hutchison	Lieberman		Bayh	Kerry		
Bennett	Inhofe	Torricelli		Biden	Kohl		
Bond	Jeffords			Bingaman	Landrieu		
Brownback	Kyl			Boxer	Lautenberg		
Bunning	Lott			Breaux	Leahy		
Burns	Lugar			Bryan	Levin		
Campbell	Mack			Cleland	Lincoln		
Chafee	McConnell			Conrad	Mikulski		
Cochran	Murkowski			Daschle	Moynihan		
Collins	Nickles			Dodd	Murray		
Coverdell	Roberts			Dorgan	Reed		
Craig	Roth			Durbin	Reid		
Crapo	Santorum			Edwards	Robb		
DeWine	Sessions			Feinstein	Rockefeller		
Domenici	Shelby			Graham	Sarbanes		
Enzi	Smith, Bob			Harkin	Schumer		
Fitzgerald	Smith, Gordon			Hollings	Wellstone		
Frist	Snowe			Inouye	Wyden		
Gorton	Stevens			Johnson			
Gramm	Thomas						
Grams	Thompson						
Grassley	Thurmond						
Gregg	Voinovich						
Hagel	Warner						
Hatch							

#### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

that will give State and local governments grants for school construction if they can prove to the Federal Government's satisfaction that the money will be spent in accordance with detailed Federal mandates. We agree with the school construction goal of this amendment, but we disagree with the bureaucratized Federal approach it uses. Further, even if we agreed with its approach, we would still oppose the Robb amendment because it would also strike the education tax relief provisions.

Some Members are openly hostile to the idea of empowering parents (and others who may wish to help, such as grandparents, employers, churches, or unions) to save for their own kids' educations. Their hostility has three bases. First, they are upset that this proposal would allow parents to save for K-12 educational expenses as well as for college expenses. Our colleagues realize that many public schools are failing and dangerous, and they fear that if this proposal passes some parents who have children in such schools might be able to save enough money to get their children out of them and into private schools. Our colleagues do not want that result because public schools are dominated by their close political allies, the teachers unions, and private schools are not. The second reason some Members are so hostile to this proposal is that it does not discriminate against religious schools. Parents would be allowed to spend their savings on any educational purposes they wished--they could hire tutors for their kids, they could buy computers, and they could even pay for tuition at parochial schools. Many of our liberal colleagues apparently believe that "separation of church and state" means that the Government cannot give tax relief to Americans--cannot let them keep more of their own money--unless they promise that they will not use it for any purpose that has a religious element to it. The third reason our colleagues have for opposing this tax relief is that they say it will benefit the "rich." To make that claim they have ignored several key facts. First, they have ignored that upper-income Americans will be ineligible for the tax relief--it will be phased-out for higher income taxpayers. Another fact our colleagues have studiously ignored is that more than 70 percent of the relief will go to families that make under \$75,000 per year. Yet a third fact our colleagues ignore (when they complain that some parents will use their savings for private school tuition), is that those parents also will be average, working-class Americans. According to the Census Bureau, 60 percent of parents who send their kids to parochial schools earn less than \$40,000 per year and 60 percent of parents who send their kids to other private schools earn less than \$50,000.

We realize the importance of repairing, renovating, and building schools in some areas, and have therefore included provisions in this bill that will increase Federal assistance for that purpose. Currently, the Government provides a significant subsidy for school construction by allowing States and localities to issue debt that is exempt from Federal taxation. This benefit allows those local controlling entities to finance school construction by issuing long-term bonds at much lower costs than they otherwise could. The interest subsidy saves school districts money and allows them to stretch their resources to meet their needs in the ways that they deem most appropriate, without Federal mandates. This bill will greatly increase the current exemption.

The Robb amendment, on the other hand, would create a new type of bond, the "qualified school modernization bond." In order to qualify for these new bonds, each State or local school district would have to obtain approval from the Department of Education. Approval would only be given after a State or local authority had been through a comprehensive survey determining what the Federal Government deemed necessary for that State or local district. In other words, Federal officials would be micro-managing a local school district's renovation plans. Further, we note that the Robb amendment ignores the fact that most States are meeting the needs of school construction and upkeep. This amendment would tax everyone in America mainly to benefit the handful of States that have allowed their schools to fall into disrepair. The need for school construction in those States that have not kept up has little, if anything, to do with a growth in the population in our schools. Over the last decade, approval rates for school bonds and total school construction dollars have increased significantly while an increase in the population of school age children has been nearly non-existent (less than one half of 1 percent).

The Robb amendment would create a new Federal program that would largely nationalize school construction, and it would do so in order to address the failure in some localities to keep their schools in good repair. To pay for this new program, it would deny tax relief for millions of American families. We strongly oppose both parts of this amendment and urge its rejection.

#### Argument 2:

This amendment should not have been framed as a choice between school construction and tax relief for parents who want to support their children's elementary and secondary educations. We support both proposals. Instead of denying education tax relief, we think our colleagues should have proposed cutting spending in the United States' mammoth \$1.7 trillion budget to pay for schools. By denying education tax relief instead, our colleagues are implicitly saying that they think that every penny of that \$1.7 trillion in spending is more important than giving education tax relief. We disagree, and thus oppose this amendment.

#### **Those opposing** the motion to table contended:

Our Nation's public schools are in disrepair, but our Republican colleagues want to subsidize wealthy private schools instead of fixing the public schools. School buildings across America are in need of serious repair. The General Accounting Office estimates it will cost \$112 billion to upgrade our existing schools. The enrollment in elementary and secondary schools is at an all time high and will continue to grow over the next 10 years, making it necessary to build 6,000 new schools. America's students deserve the best schools we can give them. The Robb amendment gives Senators a chance to deny tax breaks for wealthy private schools in order to finance public school construction. We urge our colleagues to support this amendment.